

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
SPECIAL MEETING  
JUNE 23, 2003**

**SECTION 503 INCENTIVE GRANT APPLICATION**

Attached is the proposed Washington State application to receive a Workforce Investment Act (WIA) Section 503 Incentive Grant. Washington is eligible to receive \$3 million. In order to receive the Grant the state must apply by June 27, 2003, and funds received must be spent by June 30, 2005.

The proposed state application includes the activities for which the funds may be used and the process for Workforce Development Areas to apply for and receive funding. The proposed use of the funds (addressing the shortage of health care workers) and the local application process are the consensus recommendations of the Interagency Committee representatives of the affected programs: Perkins Vocational and Technical Education, Adult Education and Family Literacy, and WIA Title I-B. Other than the sections on the local application process and planned activities, most of the language in the application responds to specific requirements in the federal guidance for state applications.

As established in "High Skills, High Wages," Workforce Development Areas that exceeded their performance targets for these programs will be eligible to receive funding. Staff are still collecting and analyzing data on options for determining eligibility and allocating dollars among the eligible areas. Given the technical aspects of the data needed, the Board will act at a later date on the eligibility and allocation formulas. The Department of Labor has informed us that the formulas are not required in order for the state application to be accepted.

Once approved by the Board and the Governor, we will submit the application to the U.S. Department of Labor.

**Board Action Requested:** Adoption of the motion.

## **RECOMMENDED MOTION**

**WHEREAS,** The United States Departments of Labor and Education have announced that Washington is eligible to receive a Workforce Investment Act (WIA) Section 503 Incentive Grant of \$3 million for exceeding performance targets for WIA Title I-B, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Applied Technology Education Act; and,

**WHEREAS,** The State must apply in order to receive the Grant; and,

**WHEREAS,** *High Skills, High Wages: Washington's Strategic Plan for Workforce Development* assigns the Workforce Training and Education Coordinating Board the responsibility for allocating the incentive grant; and,

**WHEREAS,** The proposed application was developed with the support of representatives of the three programs and in accord with federal requirements for the application.

**NOW, THEREFORE, BE IT RESOLVED,** That the Workforce Training and Education Coordinating Board approve the proposed state application for the Section 503 Incentive Grant.

June 27, 2003

Ms. Emily Stover DeRocco  
Assistant Secretary for Employment and Training  
U.S. Department of Labor  
200 Constitution Avenue, NW, Room N5306  
Washington, DC 20210

Dear Ms. DeRocco:

Please accept Washington State's application for Section 503 Incentive Grant funds. The Workforce Training and Education Coordinating Board submits this application on behalf of Governor Gary Locke, Washington State's workforce development operating agencies, and the local area Workforce Development Councils. Washington is eligible for \$3 million in Section 503 Grant funds for exceeding PY 2001 performance for programs authorized under Title I-B of the Workforce Investment Act (WIA), the Adult Education and Family Literacy Act (AEFLA), and the Carl D. Perkins Vocational and Technical Education Act.

Washington State's application includes four parts:

- Assurances and Grant Information
- Project description and local application process
- Application For Federal Assistance Standard Form 424
- Budget Information Standard Form 424A

Washington State will expend Section 503 grant funds for activities authorized under WIA Title I-B, AEFLA, and Perkins Act. Activities will: (1) be targeted to the needs of those served under the Acts, (2) be structured to promote collaboration among the state and local agencies administering the three federal programs, and (3) be innovative, comprehensive, coordinated, and targeted to improving system performance. Please let me know if you have any questions.

Sincerely,

Ellen O'Brien Saunders  
Executive Director

Enclosures

cc: Office of the Governor  
Sylvia Mundy, Commissioner, Employment Security Department  
Earl Hale, Executive Director, State Board for Community and Technical Colleges  
Armando Quiroz, Regional DOL Administrator, Region VI  
Ed Leslie, Seattle DOL  
Shelia Jones, Seattle DOL

## **Washington State Section 503 Incentive Grant Application**

### **A. Assurances**

1. Consultation with the state legislature

The Washington State Legislature has been consulted. The Executive Director of the State Workforce Investment Board has contacted the chairs of the relevant State House and Senate committees with respect to the development of the application.

2. Approval by Governor, the eligible agency for adult education, and the Perkins sole state agency

The Governor has approved the application. The State Board for Community and Technical Colleges, the eligible agency for adult education as defined in section 203(4) of Workforce Investment Act (WIA), has approved the application. The Workforce Training and Education Coordinating Board (WTECB), the agency responsible for vocational and technical education programs as defined in section 3(9) of the Carl D. Perkins Vocational and Applied Technology Education Act has approved the application.

3. Exceeding PY 2001 Performance

Washington State exceeded PY 2001 state adjusted levels of performance for WIA Title I-B, the state adjusted levels of performance for AEFLA, and the performance levels established for Perkins Act programs.

### **B. Additional Grant Information**

1. **Responsible Agencies**

*High Skills, High Wages: Washington's Strategic Plan for Workforce Development* is the strategic plan portion of the State Unified Plan approved by the U.S. Departments of Labor and Education in June 2000. The accountability chapter of "High Skills, High Wages" describes the general process that Washington would follow should the state receive such an incentive award.

If Washington State receives such an incentive award, the Workforce Board will allocate the funds to local areas that exceeded their expected level of performance in these programs. Washington will use the same 100 percent formula for determining whether or not areas have exceeded their expected levels of performance, except that we will include performance on the state core indicators, as well as the federal core indicators.

The state plan, therefore, sets certain parameters for the allocation process and use of the funds. WTECB is to be the agency that allocates the funds and the local Workforce

Development Areas that have exceeded their performance targets may receive the funds.

As the State Administrative agency for WIA Title I-B, the Employment Security Department will serve as the fiscal agent and will administer the funds based upon the allocations identified by WTECB. The Employment Security Department will fulfill federal reporting requirements on the use of all Section 503 funds.

At this time, WTECB is still collecting and analyzing data to determine the Workforce Development Areas that exceeded the performance targets for the three programs (WIA Title I-B, AEFLA, and the Perkins Act). WTECB is also still analyzing options for determining the amount of funds to be allocated to each of the eligible areas. WTECB will establish the exact formulas for determining area eligibility and size of award during the first quarter of PY 2003.

### **Local Application Process**

The Workforce Development Council (the local Workforce Investment Board authorized under WIA) will serve as the fiscal agent for eligible Workforce Development Areas and submit the area application for an award to WTECB.

The area application must demonstrate the involvement and agreement of Community and Technical College Presidents, Common School Superintendents, and the Workforce Development Council in the area. Presidents, superintendents, and the council—or their designees—must be involved in the development of the application and presidents, superintendents, and the council must approve the application. The exact number of each type of stakeholder is left to local discretion. The State Review Committee, however, will look for evidence of broad support and may reject an application that in the Committee's view does not demonstrate sufficiently broad support.

Applications received by WTECB will be reviewed and approved by a State Review Committee consisting of representatives of the below entities. A majority of the Committee members voting must approve an application in order for the application to be funded.

- 1 – Workforce Training and Education Coordinating Board (Chair of Committee)
- 1 – Employment Security Department
- 1 – Postsecondary Vocational-Technical Education
- 1 – Secondary Vocational-Technical Education
- 1 – Office of Adult Education and Literacy
- 1 - Washington Workforce Association
- 1 – Business
- 1 – Labor

## **2. Planned Activities**

Washington State will use the Section 503 Grant funds for activities that are authorized under WIA Title I-B, AEFLA, and the Perkins Act. The services will build on, rather than duplicate, services offered under the three federal acts.

The State will encourage Workforce Development Areas to use the funds for activities that are:

**Innovative:** Services and activities beyond those the state conducts with its regular funds from these programs, particularly activities that are authorized through more than one program.

**Comprehensive and coordinated:** Combined activities and services that are authorized by different programs.

**Targeted to the needs of those served under the Acts:** Activities designed for individuals who have a variety of education and training needs and may be hard to serve.

**Targeted to improving system performance:** Activities that serve needs and populations that are likely to result in improving state systems of employment, training, and education.

In addition, the state will encourage Workforce Development Areas to plan activities that promote cooperation and collaboration among the local agencies administering WIA Title I-B, AEFLA, and Perkins Act programs. The state will also encourage applications from multiple Workforce Development Areas.

Based upon statewide data, WTECB has identified workforce development for health care occupations as the priority use of the funds. As stated in *Health Care Personnel Shortage: Crisis or Opportunity?* “Health care facilities across the state are operating with critical staff shortages even though Washington reports one of the highest unemployment rates in the country. Occupations with critical shortages include nurses, medical aides, dental hygienists, laboratory personnel, pharmacists, physicians, radiology technologists, billers and coders, among others.”<sup>1</sup> These shortages present an opportunity for workforce development programs to prepare youth, disadvantaged adults, unemployed workers, underserved populations, and others for good paying jobs that in many cases are going vacant. By focusing on health care, Washington can use the Section 503 incentive award to make a substantial impact on a critical issue, rather than spread the award thinly dissipating its impact.

While addressing health care shortages, it is also possible to address other issues that are systemic to workforce development and that could benefit from innovative approaches. These other issues include:

- ❖ Blending adult basic skills education with occupational skills training

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<sup>1</sup> A Report of the Health Care Personnel Shortage Task Force, December 2002.

- ❖ Improving labor market outcomes for target populations (women, people of color, and people with disabilities); and
- ❖ Improving career counseling and information on job openings.

Local applications are encouraged that address one or more of these three issues while addressing the shortage of health care personnel.

If an area determines based upon data that the shortage of health care personnel is not a priority issue for the area, the area may submit an application addressing another issue that requires systemic and innovative attention as evidenced by data and the Workforce Development Council Strategic Plan.

Legislative authority for the planned activities described above include:

- Vocational and technical skills training authorized under WIA Sec. 112, 118, and 134, and Perkins Sec. 122, 124, 134, and 135
- Adult basic skills linked to occupational skills training as authorized under WIA Sec. 112, 118, and 134, Perkins Sec. 122, 124, 134, and 135, and AEFLA Sec. 212, 225, and 231
- Core services, such as career counseling and information on job openings, as authorized under WIA Sec. 112, 118, and 134, and Perkins Sec. 122, 124, 134, and 135
- Unified Plan section 501 of WIA.

### **3. Improving Performance**

By focusing the planned activities on addressing the shortage of health care personnel and on systemic innovations, Washington expects to improve performance as measured by the core performance measures for the three acts.

Health care is currently the industry in the state with the largest number of job vacancies and the biggest gap between the number of students completing training each year and the number of net job openings. Focusing on health care, therefore, should increase employment rates of program participants. Health care occupations are also relatively well paying, and should improve outcomes as measured by the earnings indicators. Many of the occupations require the completion of credentials, and this should lead to improvements in measures of academic and credential attainment. One of the most promising strategies is to provide instruction that blends basic skills, including English as a Second Language, with occupational skills training. Such blended instruction could be provided to employees of health care employers that do not work in health care occupations, for example they may work in laundry or janitorial occupations. This strategy would increase literacy levels as well as earnings.

The focus on health care provides an opportunity to implement a variety of strategies that hold much promise for improving performance.

### **4. Consultation with Stakeholders**

Following the notification of Section 503 Grant funds in May 13, 2003, WTECB organized special meetings of the Interagency Committee to discuss innovative and collaborative uses of the incentive funds. The Interagency Committee includes business and labor representatives and representatives of WTECB (Perkins sole state agency), Superintendent of Public Instruction (Perkins state sub-recipient), the State Board for Community Colleges (Perkins state sub-recipient and state AEFLA grant recipient), the Employment Security Department (state WIA grant recipient) and the Washington Workforce Association (association of the 12 local area Workforce Development Councils). The Committee formulated a draft plan for developing the state application that was reviewed and approved by the WTECB at its public meeting on June 6, 2003. WTECB posted information on its website about the Section 503 Grant and proposed process for developing the state application.

After June 6, Interagency Committee representatives from the three programs, including the Workforce Development Councils, continued to meet to come to agreement on the proposed use of the funds and the local application process. The WTECB unanimously approved the state application at a special public meeting on June 23, 2003. WTECB's membership includes the Superintendent of Public Instruction, the Executive Director of the State Board for Community and Technical Colleges, the Commissioner of the Employment Security Department, as well as business and labor representatives.